

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1137 - SB 1195

March 2, 2015

SUMMARY OF BILL: Authorizes any party to appeal to the local circuit court an action by a water and wastewater treatment authority. Authorizes a municipality annexing a utility district or sanitary district or other public service district, pursuant to Tenn. Code Ann. § 6-51-111, to provide services within the service area of the water and wastewater treatment authority.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Tennessee Regulatory Authority responded to an identical bill during the 2014 legislative session; at that time, the Authority indicated there would not be any significant fiscal impact to the Authority.
- Authorizing local circuit courts to hear appeals to actions of water or wastewater treatment authorities will not increase the amount of cases heard by a significant amount; therefore, any impact related to the courts is considered not significant.
- Pursuant to Tenn. Code Ann. § 6-51-111, an annexing municipality and a utility district, sanitary district, or other public service district shall attempt to reach agreement in writing for allocation and conveyance to the annexing municipality of any or all public functions, rights, duties, property, assets and liabilities. The annexing municipality shall have the exclusive right to perform or provide municipal and utility functions and services in any annexed territory.
- In the event an annexing municipality takes over the exclusive right to perform and provide utility functions in an area currently serviced by a water or wastewater treatment authority, the municipality servicing new customers would have an increase in revenue while the water or wastewater authority would have a decrease in revenue. However, this shift in funding will occur between local government entities, and as such the net impact to local government is considered not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

HB 1137 - SB 1195

- The provisions of the bill will merely impact services currently provided by local government entities and will not impact private businesses; therefore any impact to commerce statewide is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/maf